

UNITED STATES DISTRICT COURT

for the

Middle District of Florida

United States of America

v.

NEIL LABORI
aka Neil Labori Gonzalez

Case No.

2:15- MJ-1074 -CM

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of January 2011 to October 2012 in the county of Lee in the
Middle District of Florida, the defendant(s) violated:

Code Section

Offense Description

18 U.S.C. § 1956(h)
18 U.S.C. § 1956(a)(1)(B)(i)conspiracy to commit money laundering
money laundering

This criminal complaint is based on these facts:

See attached Affidavit

☒ Continued on the attached sheet.
Complainant's signature

Timothy Gorman, Special Agent

Printed name and title

Sworn to before me and signed in my presence.

Date: June 12, 2015
Judge's signatureCity and state: Fort Myers, Florida

Carol Mirando, United States Magistrate Judge

Printed name and title

AFFIDAVIT


I, Timothy Gorman, Special Agent, Federal Bureau of Investigation, being first duly sworn, deposes and states the following:

I. INTRODUCTION

1. I am a Special Agent with the Federal Bureau of Investigation, and have served in that capacity since 1991. I am currently assigned to the Tampa Field Office. I have received specialized training in criminal investigations—specifically, investigations into financial crimes such as healthcare fraud and money laundering. As a Special Agent with the FBI for the last twenty-four years, I have led, conducted, or participated in numerous criminal investigations involving healthcare fraud or money laundering. I am currently assigned to the Tampa Healthcare Fraud Strike Force.

2. The facts set forth in this affidavit are based on my personal knowledge, information, and documents provided to me in my official capacity, information obtained from other individuals, including agents from the United States Department of Health and Human Services ("HHS"), my review of documents and records related to this investigation, and information gained through my training and experience. The information contained in this affidavit is true and correct, to the best of my knowledge and belief.

3. Since in or around June 2013, I have been conducting a joint investigation with HHS into a nation-wide conspiracy to defraud Medicare. During the course of this investigation, information from law enforcement sources and financial institutions has been received indicating that NEIL LABORI aka Neil Labori Gonzalez ("NEIL LABORI") conspired with others known and unknown to launder the proceeds of a healthcare



fraud, in violation of 18 U.S.C. § 1956(h), and that NEIL LABORI has engaged in money laundering, in violation of 18 U.S.C. § 1956(a)(1)(B)(i).

4. This affidavit does not set forth every fact resulting from the investigation; rather, it sets forth facts to establish probable cause to charge NEIL LABORI with conspiracy to commit money laundering, in violation of 18 U.S.C. § 1956(h) and money laundering, in violation of 18 U.S.C. § 1956(a)(1)(B)(i).

II. BACKGROUND

A. The Medicare Program

5. The Medicare Program ("Medicare") was a federal health care program providing benefits, items and services (collectively "services") to persons age 65 or older or with certain disabilities (hereinafter "beneficiaries"). Medicare was administered by HHS through its agency, the Centers for Medicare and Medicaid Services ("CMS").

6. Part B of the Medicare Program was a medical insurance program that covered, among other things, certain physician and outpatient services, and other health care benefits, items and services, including durable medical equipment ("DME"), that were medically necessary and ordered by licensed medical doctors or other qualified health care providers. DME is equipment that is designed for repeated use and for a medical purpose, such as wound care supplies, prosthetic limbs, back braces, knee braces, wheelchairs, nebulizers and oxygen concentrators.

7. For Florida beneficiaries, Medicare Part B's insurance concerning DME and related health care benefits, items, and services was administered by CIGNA

Government Services (hereinafter "CIGNA"), pursuant to a contract with HHS. Among CIGNA's responsibilities, it received, adjudicated, and paid the claims of authorized DME suppliers that were seeking reimbursement for the cost of DME and other health care benefits, items, or services supplied or provided to Medicare beneficiaries.

8. Medicare was a "health care benefit program" as defined by Title 18, United States Code, Section 24(b), and a "Federal health care program" as defined by Title 42, United States Code, Section 1320a-7b(f).

B. Medicare Billing Procedures

9. A DME company that sought to participate in Medicare Part B and bill Medicare for the cost of DME and related benefits, items, and services was required to apply for and receive a "supplier number." The supplier number allowed a DME company to submit bills, known as "claims," to Medicare to obtain reimbursement for the cost of DME and related health care benefits, items, and services that a DME company had supplied or provided to beneficiaries.

10. To receive payment from Medicare, a DME company, using its supplier number, would submit a health insurance claim form, known as a CMS-1500. Medicare permitted DME companies, or a designated third-party biller, to submit a CMS-1500 electronically or by way of a paper claim form. The CMS-1500 required DME companies to provide certain important information, including: (a) the Medicare beneficiary's name and identification number; (b) the identification number of the doctor or other qualified health care provider who ordered the health care benefit, item, or service that was the subject of the claim; (c) the health care benefit, item, or service that



was provided or supplied to the beneficiary; (d) the billing codes for the benefit, item, or service; and (e) the date upon which the benefit, item, or service was provided or supplied to the beneficiary.

11. Medicare, through CIGNA, generally would pay a substantial portion of the cost of the DME or related health care benefits, items, and services that were medically necessary and ordered by licensed doctors or other licensed, qualified health care providers.

12. Payments under Medicare Part B were often made directly to the DME company rather than to the patient/beneficiary. For this to occur, the beneficiary would assign the right of payment to the DME company or other health care provider. Once such an assignment took place, the DME company would assume the responsibility for submitting claims to, and receiving payments from, Medicare.

13. If the DME company's Medicare claim was approved, a substantial portion of the total amount of the claim was paid either by check or by wire transfer to an account designated by the DME company.

14. Under Medicare rules and regulations, DME or other related health care benefits, items, or other services must be medically necessary and ordered by a licensed doctor or other licensed, qualified health care provider in order to be reimbursed by Medicare.

C. Entities and Individuals

My 3 Sons Locksmith, Inc.

15. My 3 Sons Locksmith, Inc. ("My 3 Sons Locksmith") was a company organized under the laws of the State of Florida on or about August 9, 2007. My 3 Sons Locksmith had a principal place of business at 4907 2nd Street West, Lehigh Acres, Florida.

16. NEIL LABORI, a resident of Lee County, Florida, was the president, director and registered agent of My 3 Sons Locksmiths.

17. NEIL LABORI established and maintained signature authority on business accounts for My 3 Sons Locksmith with: (i) Wells Fargo Bank, account ending 0164 ("Account 0164"); (ii) Branch Banking and Trust ("BB&T"), account ending 2027 ("Account 2027"); and (iii) JPMorgan Chase, account ending 3170 ("Account 3170") (collectively the "My 3 Sons Accounts").

18. NEIL LABORI established and maintained signature authority on personal accounts in his own name with: (i) BB&T, account ending 9344 ("Account 9344"); and (ii) JPMorgan Chase, account ending 7690 ("Account 7690") (collectively the "LABORI Accounts," together with the My 3 Sons Accounts, the "Accounts").

III. PROBABLE CAUSE

A. The Healthcare Fraud

19. On September 30, 2014, an individual named Angel Mirabal ("Mirabal") was arrested for operating Quick Solutions Medical Supplies ("Quick Solutions"), a DME company organized under the laws of the State of Texas on or about October 17, 2007 and purportedly doing business at 2825 Wilcrest Drive, Suite 152, Houston, Texas. Between from approximately June 2011 through approximately February 2012, Quick Solutions submitted approximately \$5 million in claims for DME services that were not medically necessary and in many instances not provided. Medicare actually paid approximately \$587,900 for these fraudulent claims.

20. On February 23, 2015, Mirabal pled guilty to one count of conspiracy to commit wire and healthcare fraud for running Quick Solutions. He is scheduled to be sentenced on June 24, 2015. According to the agreed upon factual basis in his plea agreement, Mirabal and his co-conspirators agreed to and actually did operate Quick Solutions for the purpose of billing the Medicare Program for, among other things, DME services that were medically unnecessary and in many instances not provided.

21. As part of his plea, Mirabal also admitted that he and his co-conspirators created and controlled bank accounts into which Medicare would deposit reimbursements based on the false and fraudulent claims. Mirabal admitted that in order to conceal the submission of these fraudulent claims and to divert the proceeds of the fraud, he and his co-conspirators transferred the reimbursements received from Medicare to bank accounts that Mirabal and his co-conspirators established in the name of shell corporations he controlled, including:

a. J.M. General Distribution, Inc. ("J.M. General Distribution"), a corporation organized under the laws of the State of Texas on or about August 18, 2010, and which purportedly did business at 3262 Westheimer Road, Houston, Texas;

b. WRC Professional Services, Inc. ("WRC Professional"), a corporation organized under the laws of the State of Texas on or about August 18, 2010, and which purportedly did business at 448 West 19th Street, Houston, Texas; and

c. Dannen Corporation ("Dannen"), a corporation organized under the laws of the State of Texas on or about August 18, 2010, and which purportedly did business at 5535 Memorial Drive, Houston, Texas.

22. A review of bank records for accounts held in the name of Mirabal, Quick Solutions, J.M. General Distribution, WRC Professional and Dannen identified payments to and from (i) other DME companies, (ii) the owners of those DME companies and (iii) shell companies those individuals owned. The bank records identified at least nine individuals (including Mirabal) (the "Co-Conspirators") who operated at least eight DME companies (including Quick Solutions) (the "DME Companies"). The Co-Conspirators were part of a conspiracy to defraud Medicare through the submission of false claims for DME services that were medically unnecessary and in many instances not provided.

23. Indictments or criminal complaints have been filed against six of the Co-Conspirators (including Mirabal), three of which remain under seal. The other two Co-

Conspirators are targets of ongoing investigations. Other than Mirabal, all of the Co-Conspirators are believed to be in Cuba.

24. In addition to Mirabal's admissions and the bank records, other evidence of the healthcare fraud and conspiracy to commit healthcare fraud consists of the following:

a. Numerous beneficiaries in whose names the DME Companies submitted claims to Medicare were interviewed. The beneficiaries denied ever needing or receiving the DME supplies.

b. Former employees of four of the DME Companies were interviewed. The employees stated that the DME Companies never purchased or shipped enough DME to justify the Medicare billing for that company.

c. Several doctors who allegedly prescribed the DME services were interviewed. The doctors denied having prescribed the DME services, and often denied having ever seen the beneficiary as a patient.

d. There was significant overlap in Medicare beneficiaries between the DME Companies. At least approximately 35% of each DME Company's claims (and often more) were for beneficiaries who were billed by one or more of the other eight DME Companies for similar products (primarily wound care supplies), even though the companies were located in different states. Similarly, large percentages of the claims were for beneficiaries who lived in Florida, but according to the claims submitted by the DME Companies, the physicians who allegedly prescribed the DME lived hundreds of miles away in other states. The

information of approximately 484 Medicare beneficiaries was stolen and used to carry out the fraud.

B. The Money Laundering

25. Between in or around April 2010 and in or around July 2013, the Co-Conspirators caused the DME Companies to submit approximately \$24 million in false claims to Medicare for DME that was not needed, never prescribed and never delivered. Medicare paid approximately \$3.5 million of the claims. The Co-Conspirators transferred the proceeds of the fraud to accounts held in their names or the names of shell companies (the "Shell Companies") that, according to bank records and state incorporation records, the Co-Conspirators controlled. Between in or around January 2011 and in or around October 2012, the Co-Conspirators then transferred approximately \$258,000 of the proceeds from their personal accounts or accounts in the names of the Shell Companies to the Accounts. The approximately \$258,000 were proceeds of the false and fraudulent claims that the Co-Conspirators caused the DME Companies to submit to Medicare.

26. Based on my training and experience, the nature of the transactions in the Accounts establishes that NEIL LABORI (i) knew that the \$258,000 was the proceeds of unlawful activity, and (ii) deposited and withdrew the money in an effort to conceal and disguise the nature, source, ownership and control of the money, including the following:

- a. Title 31, United States Code, Sections 5324(a)(3) and 5313(a) require that a financial institution report to the government cash transactions exceeding a particular amount, set by regulation at \$10,000.00. See 31 C.F.R. §

1010.31. NEIL LABORI structured the transactions in the Accounts to avoid these reporting requirements. Nothing about the business of My 3 Sons Locksmith required NEIL LABORI to structure the transactions in amount less than \$10,000. Rather, based on my training and experience, the only reason for NEIL LABORI to structure the transactions was that he wanted to avoid triggering a report to the government about the transactions because he knew the money involved was the proceeds of unlawful activity, and he wanted to conceal and disguise its nature, source, ownership and control. Evidence of the structuring includes the following:

i. Between in or around January 2011 and in or around October 2012, NEIL LABORI deposited approximately 52 checks from the Co-Conspirators or Shell Companies totaling approximately \$258,000 into the Accounts, ranging in amounts from approximately \$2,500 to \$9,000. In that time-frame, NEIL LABORI made over approximately 160 cash withdrawals, each more than \$1,000, totaling approximately \$253,953. None of the deposits or withdrawals was for more than \$10,000, and NEIL LABORI never deposited or withdrew more than \$10,000 in one day at any one bank.

ii. Similarly, NEIL LABORI routinely made a series of small transactions under \$10,000 over a number of days rather than in a single transaction or several larger transactions. For example, NEIL LABORI made the following deposits of checks from Shell Companies in the approximate amounts on or about the dates listed in the chart below:

Bank	Account	Approximate Date of Transaction	Approximate Amount
Wells Fargo	Ending 0164	10/05/2011	\$6,215
BB&T	Ending 2027	10/05/2011	\$7,455
Wells Fargo	Ending 0164	08/29/2012	\$3,917
Wells Fargo	Ending 0164	08/29/2012	\$3,825
Wells Fargo	Ending 0164	08/30/2012	\$3,821
Wells Fargo	Ending 0164	08/30/2012	\$3,604
BB&T	Ending 9344	08/31/2012	\$4,106
Wells Fargo	Ending 0164	09/01/2012	\$4,953
Wells Fargo	Ending 0164	09/04/2012	\$5,093
JPMorgan	Ending 3170	09/05/2012	\$3,807

iii. On multiple occasions, NEIL LABORI made multiple deposits of less than \$10,000 on the same day in different banks. For example, NEIL LABORI made the following deposits of checks from Shell Companies and cash withdrawals in the approximate amounts on or about the dates listed in the chart below:

Bank	Account	Approximate Date of Transaction	Type of Transaction	Approximate Amount
Wells Fargo	Ending 0164	10/05/2011	Deposit	\$6,215
BB&T	Ending 2027	10/05/2011	Deposit	\$7,455
Wells Fargo	Ending 0164	09/13/2012	Deposit	\$3,891
JPMorgan	Ending 9344	09/13/2012	Deposit	\$4,935
Wells Fargo	Ending 0164	09/19/2012	Withdrawal	\$1,000
BB&T	Ending 9344	09/19/2012	Withdrawal	\$4,000
JPMorgan	Ending 7690	09/19/2012	Withdrawal	\$4,000
Wells Fargo	Ending 0164	10/09/2012	Deposit	\$4,373
JPMorgan	Ending 3170	10/09/2012	Deposit	\$3,652

b. The checks from the Co-Conspirators and Shell Companies to My 3 Sons Locksmith were inconsistent with the normal banking activities of NEIL LABORI and My 3 Sons Locksmith. According to bank records, My 3 Sons Locksmith conducted some legitimate business; the records contain small checks from individuals and small businesses from in and around the Lehigh Acres and Fort Meyers, Florida area indicating they were for locksmith services. In contrast to these transactions, the Co-Conspirators and Shell Companies were located in cities outside of the Lehigh Acres area – including many located outside the State of Florida—and paid My 3 Sons Locksmiths hundreds of thousands of

dollars. Other than the checks from the Co-Conspirators and Shell Companies, there is no evidence that My 3 Sons Locksmith conducted legitimate business outside the Lehigh Acres area, much less the State of Florida, or provided services to other customers in the dollar amounts similar to those provided to the Co-Conspirators and Shell Companies.

c. Similarly, NEIL LABORI withdrew the money from the Co-Conspirators and Shell Companies in cash, which is not easily traceable, and did so within days of making the deposits. Based on my training and experience, these types of transactions are inconsistent with legitimate business practices, but are common in money laundering schemes.

d. Many of the checks that NEIL LABORI deposited into the LABORI Accounts had notations indicating they were payment for locksmith services. For instance,

i. On or about October 5, 2011, NEIL LABORI deposited into Account 0164 a check drawn on Dannen's Amegy Bank account ending in 3708, in the approximate amount of \$6,215. The notation on the check stated it was payment for a "Medico Lock." NEIL LABORI withdrew this money in cash on October 11, 2011.

ii. On or about October 5, 2011, NEIL LABORI deposited into Account 2027 a check drawn on WRC Professional's JPMorgan Chase account ending in 4375, in the approximate amount of \$7,455. The notation stated it was payment for "Locksmith Supplys Locks" [sic]. NEIL LABORI withdrew this money

in cash on October 11 and 12, 2011.

iii. On or about October 24, 2011, NEIL LABORI deposited into Account 0164 a check drawn on J.M. General Distribution's BBVA Compass Bank account ending in 1030, in the approximate amount of \$5,814. The notation stated it was payment for "Locksmith Services." NEIL LABORI withdrew this money in cash on October 27, 2011.

iv. On or about August 29, 2012, NEIL LABORI deposited into Account 0164 a check drawn on J.M. General Distribution's BBVA Compass Bank account ending in 1030, in the approximate amount of \$3,917. The notation stated it was payment for an "Electric Release Lock." NEIL LABORI withdrew this money in cash on September 4, 2012.

v. On or about August 30, 2012, NEIL LABORI deposited into Account 0164 a check drawn on WRC Professional's account ending 4375, in the approximate amount of \$3,604. The notation stated it was payment for "Medeco Lock & Key." NEIL LABORI withdrew this money in cash on September 4, 2012.

e. The notations on the checks were false. In reality, My 3 Sons Locksmith never performed the services indicated in the checks, yet NEIL LABORI nonetheless deposited them into the Accounts. WRC Professional, J.M. General Distribution and Dannen were located in Houston, Texas, but, as noted previously, according to bank records for the My 3 Sons Locksmith Accounts, My 3 Sons did not conduct business in Texas. In addition, according to Mirabal, WRC Professional, J.M. General Distribution and Dannen conducted no

legitimate business and had no need for locksmith services. Rather, Mirabal stated that they were shell companies located at post office-boxes at Western Union stores in Texas. Documents obtained from Western Union confirm that WRC Professional, J.M. General Distribution and Dannen were, in fact, located at post-office boxes in Houston, Texas. In addition, the bank records for accounts in the names of WRC Professional, JM General Distribution and Dannen revealed no business expenditures consistent with legitimate businesses.

CONCLUSION

27. WHEREFORE, based upon the above information, I believe probable cause exists that NEIL LABORI did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, and agree with others, known and unknown, to violate Title 18, United States Code, Section 1956, that is, to knowingly conduct a financial transaction affecting interstate commerce, which financial transaction involved the proceeds of specified unlawful activity, that is, conspiracy to commit health care fraud in violation of Title 18, United States Code, Section 1349, health care fraud, in violation of Title 18, United States Code, Section 1347, and wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the property involved in such financial transaction represented the proceeds of some form of unlawful activity, and knowing that the transaction was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

28. WHEREFORE, based upon the above information, I believe probable cause also exists that NEIL LABORI did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, which financial transaction involved the proceeds of specified unlawful activity, that is, conspiracy to commit health care fraud in violation of Title 18, United States Code, Section 1349, health care fraud, in violation of Title 18, United States Code, Section 1347, and wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, and knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of specified unlawful activity.

FURTHER YOUR AFFIANT SAYETH NAUGHT.



Timothy Gorman, Special Agent
Federal Bureau of Investigation

Sworn to and subscribed before me this 12th day of June, 2015



Carol Mirando
United States Magistrate Judge